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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in Bosnia and Herzegovina

Financial performance report for the period from 1 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 of the United Nations Mission in Bosnia and Herzegovina

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financial performance of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) for the period from 1 July 2000 to 30 June 2001 (A/56/698), including the United Nations liaison offices in Zagreb and Belgrade and the United Nations Mission in Prevlaka (UNMOP), which, although an independent mission, is treated as part of UNMIBH for administrative and budgetary purposes. The Committee also considered the report of the Secretary-General on the proposed budget for UNMIBH for the 12-month period from 1 July 2002 to 30 June 2003 (A/56/773), also including the United Nations liaison and administrative offices at Zagreb and Belgrade and UNMOP. During its consideration of the reports, the Committee met with representatives of the Secretary-General and the Chief Administrative Officer of the mission, who provided additional information.

2. The United Nations Mission in Bosnia and Herzegovina was established by the Security Council in its resolution 1035 (1995) of 21 December 1995, consisting of an International Police Task Force (IPTF) and a civilian office. The Council has extended the Mission's mandate several times through various resolutions, the latest being resolution 1357 (2001) of 21 June 2001, by which the Council further extended the mandate of the Mission until 21 June 2002. The Council established the United Nations Mission of Observers in Prevlaka by its resolution 779 (1992) of 6 October 1992 to monitor the demilitarization of the Prevlaka peninsula. Its current mandate expires on 15 July 2002, in accordance with Council resolution 1387 (2002) of 15 January. The Advisory Committee notes that assessments on Member States in respect of UNMIBH, from the inception of the Mission to 31 December 2001, amounted to $887.5 million and that, as at the same date, contributions received amounted to $794.7 million, leaving an outstanding balance of $92.8 million.

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Performance report for the period from 1 July 2000 to 30 June 2001

3. The report of the Secretary-General on the financial performance of UNMIBH for the period from 1 July 2000 to 30 June 2001 (A/56/698) outlines the action to be taken by the General Assembly at its fifty-sixth session in connection with the financing of the Mission.

4. As indicated in the report (see ibid., para. 12 and table 2), the total amount of resources made available to UNMIBH for the period from 1 July 2000 to 30 June 2001 amounted to $158,707,667 gross ($149,375,001 net), inclusive of the amount of $6,372,300 for the support account for peacekeeping operations and $1,047,500 for the United Nations Logistics Base at Brindisi, Italy. Expenditures amounted to $146,219,000 gross ($135,997,500 net), resulting in an unencumbered balance of $12,488,700 gross ($13,377,501 net). This balance, which represents approximately 8 per cent in gross terms of the amount appropriated, was due largely to savings under civilian personnel staff and operational requirements.

5. As further indicated (ibid.), unliquidated obligations as at 30 June 2001 amounted to $8,580,200. However, the Advisory Committee was informed that those obligations had been reduced to $3.3 million as at 31 December 2001, of which $1.2 million were government-related.

6. The Advisory Committee notes that the savings under civilian personnel ($9,947,800) are attributable to higher vacancy rates under civilian police and international staff than originally estimated. While the budget for the period from 1 July 2000 to 30 June 2001 included the application of a vacancy factor of 10 per cent for international staff and 5 per cent for civilian police, the actual vacancy rate for the period averaged 14 per cent in both categories (see ibid., annex II, paras. 3 and 4). The Committee notes the information provided therein regarding staff assigned to other missions, as requested by the Committee previously (A/55/874/Add.5, para. 5).

7. As indicated in the performance report, the savings under operational requirements ($3,503,800) resulted from the termination of 16 lease contracts for IPTF stations and reduced requirements under premises, infrastructure repairs, communications, other equipment and air and surface freight (see A/56/698, para. 9, and annex II, paras. 5-16).

8. Additional requirements of $157,600 over the apportionment of $198,700 are shown under training programmes, in view of the higher priority placed on the training of mission personnel (see ibid., annex II, paras. 19-20. **The Advisory Committee's comments on the issue of training are contained in its general report on peacekeeping operations (A/56/887).**

9. However, savings of $12,100 are reported under public information programmes, in view of the fact that the Mission produced most of its radio and television programmes (A/56/698, annex II, para. 18), thereby reducing the need for contractual services. **The Advisory Committee welcomes this development and initiative, which should be emulated, where possible, in other missions.**

10. With respect to the action to be taken by the General Assembly in connection with the financing of UNMIBH (see ibid., para. 14), **the Advisory Committee recommends that the unencumbered balance of $12,488,667 gross ($13,377,501 net) for the period from 1 July 2000 to 30 June 2001 be credited to Member States in a manner to be decided by the Assembly.**

Proposed budget for the period from 1 July 2002 to 30 June 2003

11. The cost estimates for UNMIBH, including UNMOP, and the liaison offices in Belgrade and Zagreb submitted by the Secretary-General for the period from 1 July 2002 to 30 June 2003 (A/56/773) amount to $78,613,900 gross ($72,759,200 net), inclusive of a budgeted voluntary contribution in kind amounting to $70,000. The latter relates to the waiver of landing fees at Sarajevo airport, as shown in section V of the report. The cost estimates reflect a decrease of $61,456,100 in total gross resources (43.8 per cent), exclusive of the provision for the support account for peacekeeping operations and the Logistics Base, when compared with the resources approved for the previous 12-month period of $140,104,000. The decrease in estimated resources results from the fact that UNMIBH is expected to complete its core mandate by 31 December 2002 (see S/2001/1132 and Corr.1, para. 36), hence the provision for the maintenance of the Mission from 1 July to 31 December 2002 ($56,873,300) and for its successive liquidation from 1 January 2003 to 30 June 2003 ($21,740,600).

12. The Advisory Committee notes that the decrease in proposed resources is shared among all budget items, with military personnel costs reduced by 29.4 per cent, civilian personnel costs by 50.9 per cent, operational costs by 13.6 per cent, other programmes by 54.4 per cent and staff assessment by 30.1 per cent.

13. The Mission's current authorized strength of 1,850 civilian police and 5 military liaison officers is to decrease to 1,600 police and 4 liaison officers by July 2002 (see A/56/773, para. 11). The number of civilian police will remain the same until 5 October 2002 — the date fixed for elections in Bosnia and Herzegovina — with its phase-out concluding by 1 February 2003. The number of liaison officers will be further reduced from 4 to 2 by June 2003. The number of military observers serving UNMOP will remain at 28 during the 12-month period (see ibid., annex I.C, para. 4).

14. As to the civilian staffing establishment, which currently has an authorized strength of 1,916 personnel (363 international, 17 national and 1,536 local), the Advisory Committee notes that the proposal is to reduce this component to 1,818 (358 international, 17 national, 1,438 local and 5 United Nations Volunteers) in July 2002, further phasing it down to 256 (89 international, 162 local and 5 United Nations Volunteers) by June 2003 (see A/56/773, para. 12). The Advisory Committee was informed that the phased drawdown of the civilian staff component (see ibid., annex I.C, para. 8, table) would ensure the maintenance of a sufficient number of experienced international and local staff to complete the liquidation tasks in an orderly and timely manner.

15. The Advisory Committee was provided with information as to the preliminary liquidation plan and the timetable for the completion of the related tasks and activities, as requested in its previous report (A/55/874, para. 51). However, a number of issues remain to be clarified. The Committee notes that the Security Council is expected to consider the mandate of the Mission in June 2002 and to decide when the Mission should end, upon the recommendation of the Secretary-General. Moreover, the Committee was informed that the Steering Board of the Peace Implementation Council was expected to take a decision by March 2002 on the establishment of a new mission following the completion by UNMIBH of its mandate. **Nevertheless, the Committee stresses the importance of close Headquarters involvement throughout the liquidation process in view of its valuable input to the lessons-learned exercise. The Committee further requests that the most up-to-date information regarding the liquidation of the Mission be provided to it for its February 2003 session.**

16. The Advisory Committee was assured that an adequate number of personnel would be retained for the liquidation exercise. **In this regard, the Committee recalls its previous recommendation on the use of staff in other missions and requests close coordination between the Mission and Headquarters on the reassignment of staff to existing missions (A/55/874/Add.5, para. 19).** The Committee was informed that a roster of staff would be established for that purpose. **The Committee is of the view that appropriately qualified personnel should be placed on the roster of the Department of Peacekeeping Operations in order that the Department might benefit from the considerable expertise acquired during their service with UNMIBH, and that the Department should give priority to the release of competent staff with specialized skills.** The Committee notes that the Mission is requesting the reinstatement of a resident auditor in view of the importance of that function during the liquidation period. The Committee was informed, upon enquiry, that the previous incumbent of the post had been transferred to another mission. **The Committee stresses the importance of the presence of a resident auditor during the liquidation of UNMIBH.**

17. The Advisory Committee found the objective-setting exercise, as presented in section IX of the proposed budget, less precise than the information provided by the Chief Administrative Officer during the hearings. The Committee was informed that the Mission's mandate implementation plan for 2000-2002 was a consolidated Mission-wide strategic framework for completing the Mission's core mandate by 31 December 2002. It identified the overall objectives of UNMIBH, as well as the programmes and projects that would be used to achieve those objectives, and included a time line for the successful completion of each project. As such, the Plan comprised six core programmes (police reform, police restructuring, police/criminal justice cooperation, institution-building and inter-entity police cooperation, public awareness, and support for the participation of Bosnia and Herzegovina in the United Nations system). Those

programmes were to be implemented through 66 projects and subprojects. **The Committee recommends that, in future, the objective-setting exercise be carried out with the close involvement and participation of the top personnel of the mission in question.**

18. According to the proposed budget, a United Nations liaison office will be established in Sarajevo in January 2003, following the completion of the Mission's mandate, in order to assist in the transition of UNMIBH to a follow-on mission and to carry out the functions enumerated therein (A/56/773, para. 20). The office will include a total of 11 posts (5 international and 6 local) (ibid., para. 27 (c)). The Committee was further informed that the office would assist during the liquidation period and provide an institutional memory of UNMIBH projects and programmes to the successor mission, while retaining a United Nations liaison capacity to continue timely communication and dialogue with the Office of the High Representative, the Organization for Security and Cooperation in Europe and the Office of the United Nations High Commissioner for Refugees (UNHCR).

19. The Advisory Committee had previously indicated that it understood that the headquarters premises of the Mission would be rent-free for eight years, beginning in April 2000 (A/55/874/Add.5, para. 7). The Committee questioned the cost-effectiveness of spending nearly $3 million on renovating the premises in view of the fact that the completion of the mandate was envisaged for December 2002. In this regard, the Committee recalls that it was informed that the cost of the renovation would be completely amortized by April 2003 and that, should a monitoring mission be required beyond the completion date of the mandate, rental savings would accrue. The Committee was further informed that five other agencies were currently on the premises as well, and that the offices of the United Nations Children's Fund and UNHCR were planning to move in as UNMIBH staff moved out.

20. As to the 13.6 per cent decrease ($2,887,300) under operational requirements, the Advisory Committee notes that these are mostly reflective of the closure of 30 IPTF stations after 31 October 2002 and the fact that regional headquarters (Mostar, Banja Luka and Sarajevo) and regional offices (Bihac, Doboj and Brcko) will remain operational only until 30 March 2003. Moreover, there are lower provisions for the purchase of vehicles, workshop equipment, communications equipment, other equipment and public information equipment, and reduced estimates under air operations, in view of the rental of only one medium-utility helicopter until October 2002 and one medium fixed-wing transport aircraft until February 2003.

21. With respect to the action to be taken by the General Assembly at its fifty-sixth session in connection with the financing of UNMIBH (see A/56/773, para. 3), **the Advisory Committee recommends that the Assembly appropriate and assess the amount of $78,543,900 gross ($72,689,200 net) for the maintenance of the Mission for the period from 1 July 2002 to 31 December 2002 and for the liquidation of the Mission from 1 January to 30 June 2003, subject to the extension of the mandate of the Force by the Security Council beyond 31 July 2002.**